

9 February, 2018

Ms. Marlene Dortch, Secretary
Federal Communications Commission
445 12th Street SW
Washington, DC 20554

Re: WC Docket 10-90 (Connect America Fund)
AU Docket 17-182 (CAF Phase II Auction)
WC Docket 14-58 (ETC Annual Reports and Certifications)
WC Docket 14-259 (Rural Broadband Experiments)

Ms. Dortch:

This letter is to advise you that on 9 February, 2018, at approximately 1:00PM Eastern Standard Time, I had a brief telephone conversation with the following FCC staff:

Alexander Minard (Deputy Division Chief, Telecommunications Access Policy Division, WCB)
Heidi Lankau (Attorney Advisor, WCB)
Katie King (Special Counsel, TAPD)

I explained to those present that that, as the owner and operator of LARIAT, the world's first WISP (fixed, terrestrial wireless ISP), I was disappointed – after the Commission's issue of its Order on Reconsideration on January 30, 2018 and accompanying auction documents – to note that several census tracts to which my small broadband provider – and two or three competitors – already served with excellent high speed broadband service were to be included in the CAF Phase II auction. I explained that the customers in these areas were more than adequately served, and had not only a choice of telephony providers (including “over the top” VoIP, cellular, and land line providers) but also a choice of high speed Internet providers... and thus that any buildout subsidy awarded in the auction would be an egregious and avoidable waste of taxpayer money. I further noted that our company, while it was not a telephony provider itself, had an arrangement with one OTT VoIP provider in which it bought the provider's equipment, resold it at cost (considerably below retail) to customers, and installed it for those customers – thereby effectively installing telephone service for them.

I explained that needlessly subsidizing the overbuilding of small, rural ISPs such as my own would, in fact, harm broadband deployment by driving some of us out of business... having the paradoxical effect of *depriving* some of users we served of broadband. I further explained that most of the nation's more than 5,000 wireless ISPs, or WISPs – would be unduly burdened by the redundant task of becoming telephone companies, arranging interconnection, filling out the vast amount of additional paperwork required to become a 19th Century-style telephone company, and spending thousands of dollars per year to conform to the regulatory requirements applicable to such companies when so many good alternatives already existed.

I therefore posed the following question: What contractual or other business arrangement between a small ISP and a third party VoIP provider – perhaps an OTT provider – would satisfy the Commission that the ISP was, or was functionally equivalent to, a telephone company – allowing it to qualify as an unsubsidized competitor and/or an ETC, and possibly bid in the CAF auction(s)? Would it be possible for the broadband provider to contract with the VoIP provider to handle the filing of Form 814 and of the telephony portion of Form 477, while the ISP “stuck to its knitting” and concentrated on its specialty: the deployment of rural broadband?

I did not expect those present to provide an immediate answer, but asked if they would follow up

in a timely fashion so that my company could determine whether it should apply to participate in the CAF Phase II auction and/or apply or petition for ETC status... and thereby forestall unnecessary and potentially harmful overbuilding of areas which in fact were fully served.

I am filing this letter electronically, out of an abundance of caution, via the Commission's Electronic Comment Filing System to ensure compliance with Section 1.1206(b)(2) of the Commission's rules.

Sincerely,

/s/

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